

Challenges on the road to National Health Insurance

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The National Health Insurance will be the most ambitious project by the government since 1994, but it is bound to test the political resolve of current and future administrations to ensure that the project delivers on its objective of access for all citizens to affordable and quality health care.

The NHI would take 14 years to implement fully, Health Minister Aaron Motsoaledi said last week, focusing in the first five years on re-engineering the public health-care system to improve its quality and performance.

The remake of the public health-care system will prove the most challenging aspect of the NHI because of vested political interests, including trade unions and the ruling party, who will be challenged by the reforms.

There are also the risks of changing institutions, including their culture and the way they run their affairs – risks which are not specific to the public sector.

Private businesses often stumble over changing institutions, resulting in huge financial losses.

The scale of the political challenges is illustrated by the National Planning Commission's commentary on how to improve the quality of public services.

First, addressing the instability of the civil service, brought about by changes in senior management and policy with every change of administration.

Then there is the professionalisation of the public service, which means public servants must have the skills they need to do their jobs.

Formal qualifications alone are not sufficient; there are two other equally important variables.

These are a sense of common purpose, a key ingredient in making public servants more effective, as well as having a public service that is not too detached from the community it serves.

But building a sense of common purpose in the public service is made more difficult by the blurring of lines between public servants and their political masters.

Public servants account to elected leaders, but this should be managed in such a way that “it does not undermine the distinction between party political imperatives informed by the popular mandate and the professional non-partisan obligations of the bureaucracy”.

Without this distinction, forging a sense of common purpose and collective professional identity will prove difficult, if not impossible.

Current practice is that senior public servants report to an elected minister, not to a head of the public service, a practice which, according to the commission, leaves the door wide open for “undue political interference in the appointment of senior staff, including deployment of cadres to posts for which they are not qualified, and political intervention in operational matters”.

Current budgetary arrangements will also be a hurdle. The national Health Department makes policy, but provinces may move funds within or out of the health budget to fund other priorities.

“Management functions and financial resources are concentrated at the provincial level rather than being devolved to individual hospitals,” the commission says.

Management of hospitals, according to a report by the Finance and Fiscal Commission, is an important determinant of performance.

Citing international literature, including work by the World Health Organisation (WHO), the fiscal commission says granting hospitals more independence may improve overall performance.

“The rationale behind the reform is that greater independence can mitigate disadvantages commonly associated with publicly provided services (for example inefficiency, low productivity, fraud and corruption), while entrenching a culture of good governance in ensuring the independence of hospitals.”

But giving hospitals autonomy requires a culture of good governance, which in turn needs three ingredients:

1 Narrow, clear and non-conflicting government objectives translated into clear and measurable criteria for managing performance.

Supervision of management must vest in an effective, professional body or board of directors, with clear responsibilities and accountabilities.

Hospital management must be monitored and motivated constantly, with rewards for good performance, penalties for poor performance.

“Autonomy-enhancing reforms are a prerequisite for addressing a broad range of performance issues unique to hospitals,” the fiscal commission says.

Making all of these changes to improve the performance of the public health-care system will challenge the core of how the ruling party and its alliance partners want the public service to be run.

That’s the biggest hurdle Motsoaledi will have to leap over, or go around, if the NHI is to be a success.

<http://www.iol.co.za/sundayindependent/challenges-on-the-road-to-national-health-insurance-1.1117814>